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SUBJECT: LAO OFFICIALS PREPARE TO ISSUE DECREE ON  
ASSOCIATIONS

**¶1.** (SBU) SUMMARY: The Lao Public Administration and Civil Service Authority (PACSA) is currently drafting a new decree on non-profit association (NPA) registration. The decree is expected to be submitted to the Prime Minister's Office by the end of August. The creation of a standardized legal basis for non-profit associations is virtually unprecedented in Laos, and this decree has implications for the longer term development of Lao civil society. Civil society in Laos may be described as nascent at best, at least by Western standards; even quasi-independent associations have strong government linkages, and the requisites of civil society, namely guaranteed freedom of association, expression, and media, are not present. While the current draft of the NPA decree includes codification of a high degree of governmental control of NPAs, creating a legal basis for associations of this type will have the potential to create a more open Lao civil society in the future. End Summary.

**¶2.** (SBU) GOL and local organization leaders prefer the term &non-profit association<sup>8</sup> (NPA) to describe homegrown groups as opposed to &non-governmental organization,<sup>8</sup> which is the term applied to foreign organizations working in Laos. Indeed, the former term is more accurate, for the 30 existing Lao NPAs are small, local, and voluntary in nature, and often are supervised and sponsored by a GOL or party organ. They primarily focus on development issues, such as sustainable agriculture and anti-poverty platforms. Support and permission of the village and district authorities is necessary in order for an NPA to form and operate. Though the involvement of the state in the day-to-day affairs of an association is in practice often minimal, the power of the state to intervene or to dissolve an association looms large in the minds of NPA leaders. Their notions of advocacy stress information dissemination rather than lobbying for change, and their projects tend to emphasize service delivery and capacity development rather than overt mobilization for social or political change, though there are a few exceptions. Moreover, NPAs in Laos face challenges of low capacity and the lack of funding opportunities.

**¶3.** (U) While it is possible for NPAs to register in Laos, there is currently no clear and standardized procedure for doing so. For more than a decade, some NPAs have been able to register with a mass party organization, most frequently the Lao Front for National Construction (LFNC), and some others with a related ministry, such as the Ministry of Education. In March 2005 the GOL issued the Decree on the Establishment and Operation of the Lao Union of Science and Engineering Association, known as the LUSEA decree, which also permitted the official formation and registration of science and environment-related NPAs. This led to a spurt of registration, resulting in twenty-two organizations registering under the umbrella of the LUSEA decree. Even more were attempting to do so when the GOL suspended LUSEA in late 2006. Citing the need for a standardized NPA registration procedure, the Public Administration and Civil Service Authority (PACSA) department of the Prime Minister's Office began drafting a decree for this purpose in 2007 with the help of UNDP.

**¶4.** (SBU) PACSA is the implementing partner of a joint GOL-UNDP two-year civil society project funded by UNDP. The project aims to enhance government partnership with social organizations to deliver services in the public interest towards poverty reduction.<sup>8</sup> UNDP identified a lack of awareness among legislators and government officials as to the relevance, importance, and contribution of non-profit association to the development of the nation as well as an absence of a legal and regulatory framework for such organizations. The joint project includes national sensitization workshops on engaging with NPAs as partners in development and the development, support, and finalization of the decree on NPA registration, as well as implementing guidelines. NPAs have been included in sensitization workshops and appear to have been able to give limited input on the draft decree. The drafting process has received some media attention.

**¶5.** (SBU) The decree drafting process appears to be picking up momentum and embassy sources say it will be submitted to the Prime Minister by the end of August. As conceived, the decree shifts the power and control of NPA registration to PACSA and away from mass organizations such as the LFNC, which has had experience working with associations since the late 1990s; there are already questions about the capacity of PACSA to take on this new task in the face of probable pent-up demand since LUSEA was suspended. In addition to concerns about administrative capacity, the length of the registration process is daunting. The current version of the decree codifies a high level of government control over association by requiring multiple rounds of approval before

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registration is finalized. Moreover, the government must approve bylaws, mergers, separations, and annual reports, and maintains the power of dissolution.

**¶6.** (SBU) Comment: The GOL is becoming more and more comfortable with the existence of local non-profit associations and is increasingly viewing these associations as stakeholders in development. Thus, the codification of the registration process and the accompanying implicit legitimization of NPAs appears to be a step forward. The GOL is not unaware that progress in this area also makes Laos more attractive to donors looking to fund civil society and capacity development projects. The NPA decree will not transform associational life in Laos overnight (rather, the new procedure will take some time to implement). However, there is potential for this to be a significant step towards a more open and active society in the future, as associations gain traction and branch into a range of possibly more contentious issues. End comment.

**¶7.** (U) For reference, these NPAs were registered under LUSEA in 2005 and 2006, according to embassy NGO contacts:

- a. Association for Research and Development
- b. Association of Lao Architects and Civil Engineers
- c. Community and Environmental Development Association
- d. Community Development Association
- e. Community Environmental Promotion and Cultural Association
- f. Lao Biodiversity Preservation and Development Association
- g. Lao Community Sustainable Development Promotion Association
- h. Lao Developmental Cooperation Association
- i. Lao Network of People Living with HIV/AIDS
- j. Lao Power Engineering Association
- k. Lao Promotion Biological Products Association
- l. Lao Youth and Children Development Association
- m. Non-profit Association of Lao Development
- n. NPO Lao ABC
- o. Promotion for Education on Development Association (formerly Youth Fighting AIDS)

- p. Rural Research and Development Training Centre
- q. Technology Promotion for Sustainable Development
- Information Environment Management
- r. The Association of Language Development and Enhancement
- s. The Renewable Energy for Sustainable Development
- Association
- t. The Social Science Research and Speaking Promotion
- Association
- u. Tree Planting and Livestock Promotion Association
- v. Vulnerable Lao Youth Development Association

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